

United States Department of the Interior

TAKE PRIDE

BUREAU OF LAND MANAGEMENT

Color Country District Office Cedar City Field Office

176 East DL Sargent Drive Cedar City, UT 84721 Telephone (435) 865-3000 www.blm.gov/ut/st/en/fo/cedar city.html

RECEIVED

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DIV. OF OIL, GAS & MINING

In Reply Refer To: UTC01 3809: UTU-90258

March 11, 2014

Mr. Michael Stanford Bolcan Mining Corp 2300 W Sahara Ave, Suite 800 Las Vegas, NV 89102

Dear Mr. Stanford:

On December 13, 2013, this office received a copy of the notice of intention for small mine operations that you previously submitted to the State of Utah, Division of Oil, Gas and Mining. Your permit application proposed the complete removal of a pre-law mine waste dump located on your Chopar 56 unpatented mining claim, in the Star Range, Beaver County. As the small mine permit application constituted a plan of operation under the applicable Federal regulations, you were contacted by phone initially to discuss the proposal. The outcome of that phone conversation was that you chose to reduce the scope of the proposed to notice-level work, this being the removal of an exploratory bulk sample, 1,000 tons or less, from the dump. The goal of the bulk sampling would be to assess the viability of base and precious metal recovery from the dump material, via off-site test processing.

The revised notice-level has been reviewed for completeness and compliance with the 43 CFR 3809 regulations, and for possible conflicts with cultural resources and sensitive plants and animals. The notice was accepted as complete. Our critical resource clearances identified two issues.

First, the dump proposed for sampling is part of a cultural site recommended as being eligible to the National Register of Historic Places. To avoid violation of the National Historic Preservation Act, the disturbance of the dump material may not occur until a treatment plan for the eligible site is submitted, approved and carried out. This work will have to be carried out under contract, at your expense, by a qualified archeologist working together with our field office archeologist. I would ask that you contact our archeologist, Nate Thomas, at 435-865-3031, regarding how this required treatment work can be carried out most expeditiously.

Second, to avoid impact to nesting migratory birds in the project area, including raptors, the proposed removal work should be carried out between August 1 and March 14. If this is not

possible, wildlife surveys will need to be completed and appropriate seasonal and spatial buffers applied.

BLM has assigned file UTU-90258 to cover the project disturbances. Please use this number in all future correspondence with this office.

This office, in consultation with the Division, has determined that the proposed work will require the posting of a \$9,400 reclamation bond to secure 3rd party reclamation of the proposed disturbances. This bond amount was derived utilizing the Division's current reclamation fee schedule for small scale exploration and mining activities Statewide. As soon as you have posted the bond amount with either the Division or the BLM Utah State Office, and have compiled with the required measures above, you are approved to proceed with the project.

The notice amendment is only valid for two years unless timely extended under 43 CFR 3809.333. The reclamation bond will be released as soon as the project disturbances are satisfactorily reclaimed. The operating practices and reclamation standards enclosed apply to the disturbances to be made under this notice.

If you have any questions, feel free to contact Ed Ginouves of my staff at (435) 865-3040.

Sincerely,

Elizabeth Burghard Field Office Manager

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cc: Peter Brinton, Reclamation Specialist, DOGM, (White Mine, S/001/0081)

Enclosure: CCFO Standard Operating Practices and Reclamation Standards

STANDARD OPERATING PROCEDURES

Exploration/Mining Activities, BLM Cedar City Field Office

- 1. Existing road access will be used whenever possible. Access will be planned for the minimum width needed for operations and will not exceed 16 feet in width. Roads will follow natural contours where practicable to minimize the need for cut and fill. The cuts from construction or improvement of access will be less than 3 feet on the inside edge. The authorized officer will be notified of any exceptions before construction begins.
- 2. Disturbance of existing vegetation will be held to the minimum necessary for the operation. Large vegetation such as pinion and juniper trees will be avoided whenever possible.
- 3. If cultural resources are encountered, including all historic or prehistoric artifacts or structures, the operator will immediately suspend operations and report the findings to the BLM field office. It is the responsibility of the operator to ensure there is no removal or destruction of historic and prehistoric remains on public lands.
- 4. If an endangered species is encountered, the operator will avoid the species and immediately inform the BLM field office. Wild horses, wildlife and livestock will not be harassed.
- 5. All sites will be kept in a safe, clean, and environmentally stable condition. Any hazardous materials used in the operation must be pre-approved by BLM personnel and kept in approved safe containers. The BLM field office will be immediately notified of any spills or accidents involving hazardous materials.
- 6. Water from stock-water reservoirs, springs, and wells will not be used for operations unless prior approval has been granted by the individual or agency responsible for the water rights of the source.
- 7. All official survey monuments, witness corners, reference monuments, bearing trees, etc., will be protected against destruction, obliteration or damage. Current mining claim markers will also be protected. When mining or exploration activities are concluded, the operator will remove all operation survey markers, stakes, flagging, etc., which are not needed for ongoing activities.
- 8. Wet roads should be avoided when ruts of two inches or deeper will result from road use. The operator will be responsible for reconditioning public roads used under these conditions.

RECLAMATION STANDARDS

for

Exploration/Mining Activities, BLM Cedar City Field Office

- 1. At the earliest feasible time, the operator will reclaim the area disturbed, except to the extent necessary to preserve evidence of mineralization. Reclamation will include reasonable measures to prevent or control onsite and offsite damage of public lands.
- 2. Reclamation will include but not be limited to:
 - a. Saving topsoil (top 3 to 6 inches) for final application after reshaping of disturbed areas.
 - b. Controlling erosion, landslides, and water runoff.
 - c. Isolating, removing, or controlling toxic materials.
 - d. Reshaping disturbed areas, applying topsoil, and revegetating where reasonably practicable.
 - e. Controlling noxious weeds invading the site.
 - f. Rehabilitating fisheries and wildlife habitat.
- 3. Access roads, unless otherwise approved by the authorized officer, will be closed by reshaping the disturbed area to near original contours, scarifying where compaction prevents seed covering, and revegetating with the mixture specified below. Water bars will be placed on steep inclines and access blocked to future vehicular traffic.
- 4. Unless otherwise approved in the acceptance of the notice, all high walls or material piles will be recontoured to slopes not steeper than 3:1 and revegetated using the recommended mixture.
- 5. Authorized pits with high walls in excess of 4 feet will be fenced or barricaded to protect unsuspecting public land users from injury. All shafts and adits will be covered or blocked to prevent unauthorized or accidental entry.
- 6. Seeding of disturbed areas will be done between September 30 and December 15. Seed should not be placed on top of deep snow. Seed beds will be prepared to a depth of 6 inches by ripping, discing, or harrowing. Seed will be planted with a rangeland or farm drill or broadcast seeded. If broadcast seeded, the seed will be harrowed or raked 1/4 to 1/2 inch into the soil. The seed amount described below will be doubled if the area is broadcast seeded. The recommended seed mixture to be used on all disturbed areas if applied by a drill includes:

2 lb / acre
1 lb / acre
1/2 lb / acre
1/2 lb / acre
1/2 lb / acre
1/2 lb / acre

- 7. All hazardous tailing dumps, materials or substances produced by the operation will be disposed of in accordance with applicable federal and state laws. All waste, debris, buildings, and materials will be removed from the site and deposited at appropriate waste facilities.
- 8. All dry drill holes will be plugged with uncontaminated native material to a depth of 5 feet. The top 5 feet will be plugged with cement. Drill holes which encounter water will also be cemented from at least 50 feet below to 50 feet above the saturated zone. The location, depth, and relative flow rate of any subsurface water encountered will be reported to the authorized officer.
- 9. Additional reclamation requirements may be needed on a case-by-case basis. These additional requirements will be issued by the authorized officer after consultation with the operator.
- 10. The authorized officer will be notified within 10 days of final reclamation.